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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	NMLS ID. 1028939
)	
THE COMMISSIONER OF BUSINESS)	ACCUSATION IN SUPPORT OF ORDER
OVERSIGHT,)	REVOKING MORTGAGE LOAN
)	ORIGINATOR LICENSE OF JONATHAN
)	JOSEPH SOLEK
Complainant,)	
)	
v.)	
)	
JONATHAN JOSEPH SOLEK,)	
)	
Respondent.)	

Complainant, the Commissioner of Business Oversight (Commissioner) finds against the Respondent Jonathan Joseph Solek (Solek) as follows:

I.

Introduction

The Commissioner seeks to revoke Solek's mortgage loan originator (MLO) license pursuant to Financial Code section 50513 for failing to disclose the fact that he was named in a civil lawsuit seeking to enjoin him from conducting business in financial services.

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II.**Statement of Facts****A. MLO Licensure with DBO**

1. On October 16, 2013, Solek filed an application for a MLO license with the Commissioner pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.). The application was for employment as a MLO, and was submitted to the Commissioner by completing and filing a Form MU4 through the Nationwide Mortgage Licensing System & Registry (NMLS).

2. In submitting his application, Solek was required to sign an oath and attestation agreeing “to keep the information contained in this [MU4] form current and to file accurate supplementary information on a timely basis...”

3. Based on the information provided in his application and his agreement to keep the information current and to timely supplement the information, Solek was issued an MLO license on November 13, 2013.

4. As a prerequisite to having the MLO license, Solek was required to have a sponsoring entity, which he satisfied through his employer, Mount Olympus Mortgage Company, Inc. (MOMCo).

B. Failure to Timely Disclose Lawsuit Brought by Prior Employer

5. On or about June 19, 2014, MOMCo initiated a civil lawsuit against Solek in Orange County Superior Court. The complaint in the lawsuit alleged that Solek, along with other MOMCo employees, had “conspired with [MOMCo’s competitor] Guaranteed Rate, Inc. (Guaranteed), during the course of several months, to carry out a scheme to defraud MOMCo of its confidential and proprietary information” and that Solek and others “misappropriated MOMCo’s confidential and proprietary information and directed MOMCo customers to Guaranteed in violation of their respective agreements with MOMCo, as well as California common law and statutory laws.” Furthermore, the complaint included a prayer for relief that sought a court-issued “injunction restraining and enjoining” Solek and others “from disclosing or utilizing any confidential, proprietary and trade secret protected information obtained from MOMCo including, but not limited to, the identity of MOMCo’s customers and their

1 preferences for MOMCo's loan origination services." In other words, the lawsuit brought by
2 MOMCo sought injunctive relief that prohibited Solek from engaging in lending services for
3 borrowers whose files and identities Solek had allegedly stolen from MOMCo and given to
4 MOMCo's competitor, Guaranteed.

5 6. Solek was served with the summons and a copy of the complaint by substituted service at
6 his residence on or about June 30, 2014. Despite being aware that he was named in a civil
7 action related to financial services where the plaintiff was seeking to enjoin him in connection
8 with financial services-related activity, Solek never disclosed this information to the
9 Commissioner by supplementing his MU4 application. In fact, during the pendency of the
10 lawsuit to the date Solek was dismissed from the lawsuit on February 3, 2016, Solek even
11 amended his MU4 application twice (on July 8, 2014 and May 20, 2015), but continued to
12 respond "no" to Civil Disclosure question (J)(1) and (2) on the MU4 application, which
13 specifically asked:

14 (J)(2) Is there a pending financial services-related civil action in which
15 you are named for any alleged violation described in (J)(1)?

16 (J)(1) Has any domestic or foreign court ever: (a) enjoined you in
17 connection with any financial services-related activity?

18 Solek attested under oath to the truth and completeness of this statement.

19 III.

20 Applicable Law

21 7. Financial Code section 50513 authorizes the Commissioner to revoke a mortgage loan
22 originator license if an applicant "withholds information or makes a material misrepresentation in an
23 application for license or license renewal." (Fin. Code, § 50513, subd. (a)(2).)

24 8. In addition, California Code of Regulations, title 10, section 1950.122.9, in relevant part
25 provides:

26 (c) A mortgage loan originator shall file changed information contained in its Form MU4,
27 and any exhibits thereto, through NMLS in accordance with its procedures for transmission
28 to the Commissioner within twenty (20) days of changes to the information. Any change that
cannot be submitted through NMLS shall be filed directly with the Commissioner. A
mortgage loan originator may not renew his or her license under Section 1950.122.5.3 of
Subchapter 11.5 of these rules until all changes to the information contained in his or her
Form MU4 are filed with the Commissioner as provided in this section.

IV.
Grounds for Revoking Solek’s MLO License

9. Based on the foregoing findings of fact, the Commissioner has determined that there are grounds to revoke Solek’s MLO License under Financial Code section 50513. Solek failed to disclose the fact that he had been named in a lawsuit in which an injunction was being sought against him to prevent him from engaging in certain financial services related activity. By answering “no” to Civil Disclosure questions (J)(1) and (2) on the MU4 application despite being sued and named in a then-pending financial services-related civil action, Solek also materially misrepresented information in his application for MLO license renewal.

V.
Conclusion

10. The Commissioner finds, by reason of the foregoing, that Solek withheld information and made a material misrepresentation in his MLO license renewal applications.

WHEREFORE, notice is hereby given of the Commissioner’s intention to issue an order under Financial Code section 50513 to revoke the mortgage loan originator license of Jonathan Joseph Solek.

Dated: November 6, 2017
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
KENNY V. NGUYEN
Senior Counsel